

U.S. EPA's Diesel Fuel Impact Model Preliminary Comments

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The Importance of Getting it Right

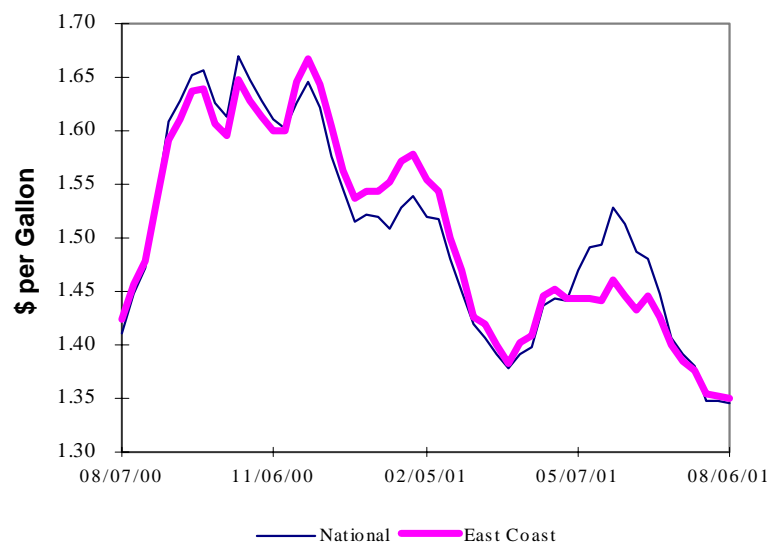
- ATA has not participated in previous efforts to characterize the emissions impact for RFG and other boutique gasolines.
- Diesel is different due to the interstate nature of the trucking industry.
- For the following reasons boutique diesel fuels have a devastating impact on the trucking industry.

The Market Realities of Boutique Diesel Fuel

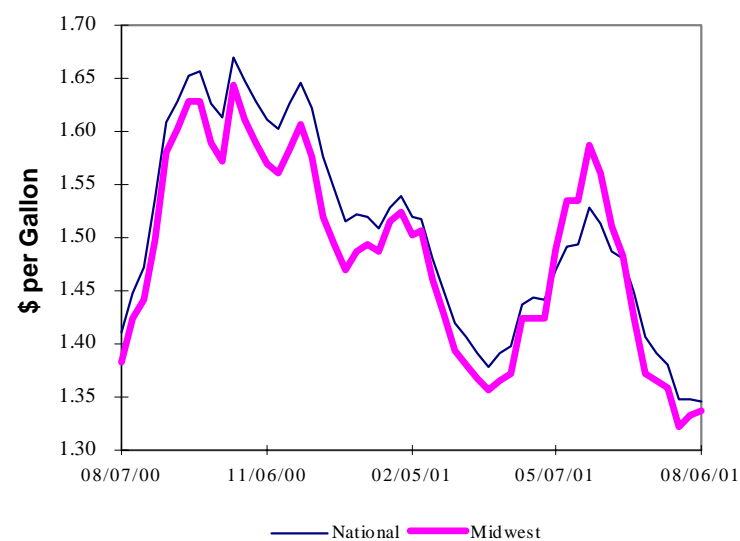
- Boutique fuels reduce competition among refineries resulting in significant price disparities.
- California's CARB Diesel:
An example of oligopolistic pricing

CARB Diesel Example

East Coast vs. National Diesel Price

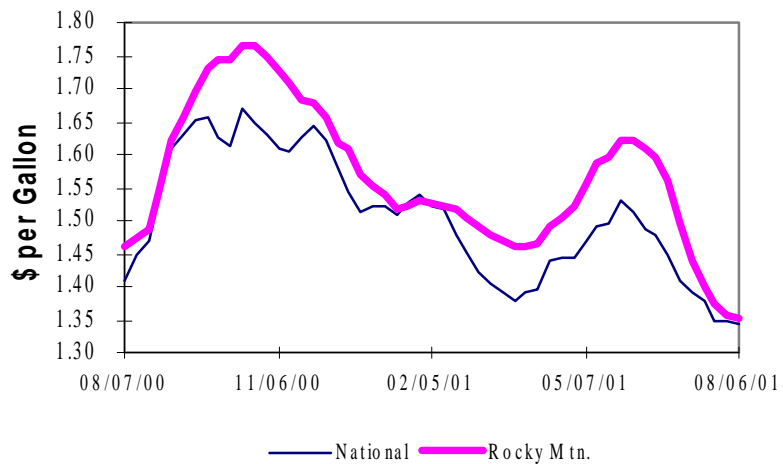


Midwest vs. National Diesel Price

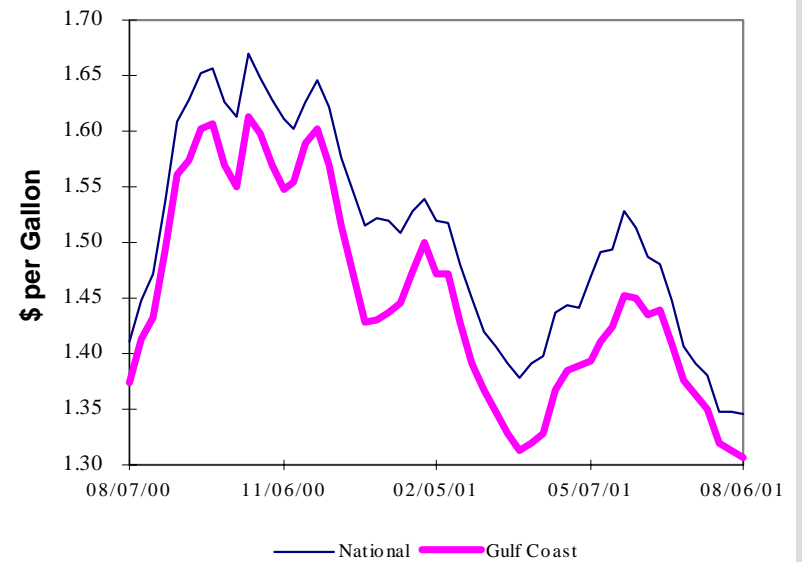


CARB Diesel Example

Rocky Mtn. vs. National Diesel Price

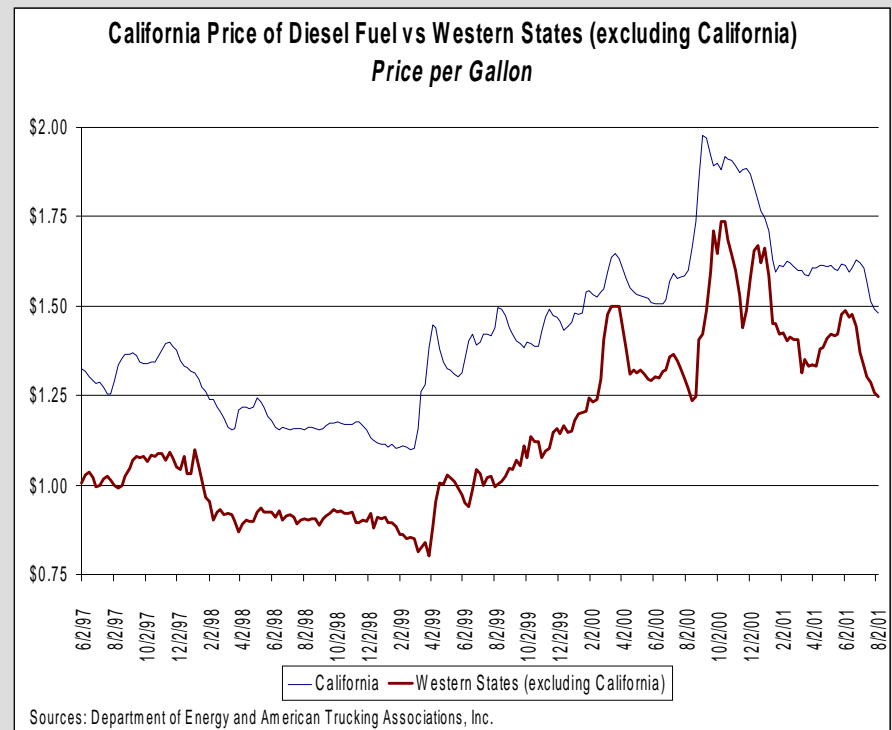


Gulf Coast vs. National Diesel Price



CARB Diesel Example

- CARB Diesel costs about 1 to 4 cents more per gallon to manufacture
- Average cost of CARB diesel compared to other PADD 5 states is 27 cents higher per gallon
- Price disparities reach 40 cents

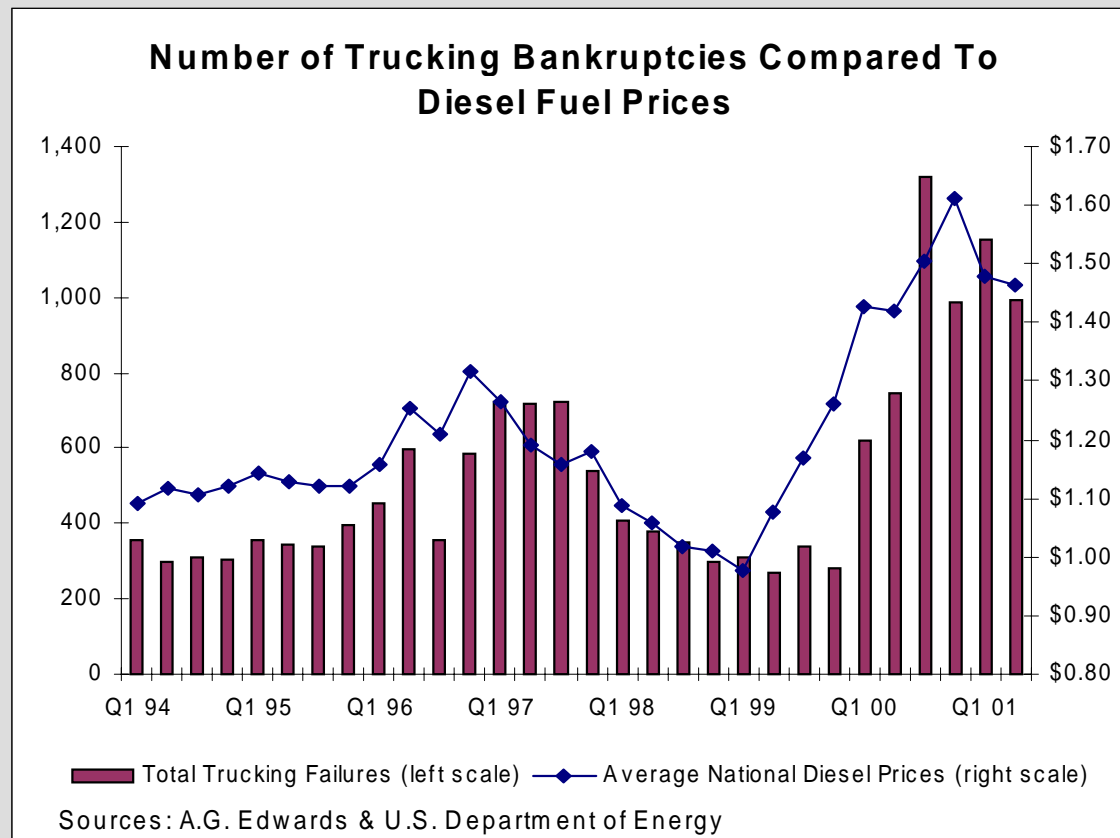


Boutique Diesel Impacts on the Trucking Industry

- Uneven Playing Field
- Supply Shortages and Price Spikes
- Bankruptcies

Boutique Diesel Impacts on the Trucking Industry

- Fuel may comprise 20% of a trucking operator's total expenses



Summary

- Boutique Diesel Fuels have a devastating impact on the interstate and local trucking industries.
- The ability to quantify the emissions reductions from varying certain fuel parameters is critical to understanding whether boutique fuels are a viable regulatory option.